

## Senheng 2Q22 net profit grows 43.0% to RM16.1 million

- *Store expansion and upgrading programme across Malaysia yielding higher per-store sales and enhanced customer experience*
- *Upcoming S-Rewards Centre pillar in Senheng App to onboard over 200 merchants and 100,000 SKUs catering to Group's 3.5 million PlusOne members*
- *Declares interim dividend of 0.5 sen per share in respect of financial year ending 31 December 2022 (FY2022), payable on 14 October 2022*

Kuala Lumpur, Malaysia, 26 August 2022 - Senheng New Retail Berhad (Senheng or the Group; Bloomberg: SENHENG MK; 新兴集团) reported strong growth for the second quarter ended 30 June 2022 (2Q22), with net profit expanding 43.0% to RM16.1 million from RM11.3 million in the same quarter last year, on 32.9% higher revenue of RM397.7 million from RM299.4 million previously.

The improved performance was driven by new store launches and higher per-store sales from the Group's ongoing store expansion and upgrading programme, in addition to improved consumer spending and retail sector activity.

Senheng is undertaking a 3-year RM160.5 million expansion program from 2022 to 2024, involving the transformation of its retail store network nationwide into Territory Champions - leaders by floor space and product range within 5-kilometre store radius. This is complemented by increasing technology adoption, through integration of its fully digital marketing process with latest technology solutions, such as AI and data analytics, for enhanced consumer satisfaction.

“We are benefiting from continued growth in per-store sales across our retail network nationwide. This validates our expansion strategy until 2024, as we transform the majority of our retail stores into new Grand Senheng, Grand Senheng Elite, and Grand senQ formats, that feature highly-attractive store designs and a wider range of consumer electronics.

Furthermore, our deep technology orientation puts us at the forefront of omnichannel retail, as we integrate efficient supply chain and operations, digital marketing, e-commerce, and satisfying store experiences, towards becoming the leading consumer electronics retailer in Malaysia.

We continuously cater to latest consumer needs and are expanding the pillars in our Senheng App. Our upcoming launch of S-Rewards Centre will onboard over 200 merchants and 100,000 SKUs across wide range of categories including groceries, health and wellness, beauty and cosmetics, and various others. These will cater to the lifestyle needs of our 3.5 million PlusOne members, who will also earn highly valuable S-Coin cashbacks.

We are confident of building a truly different retail model, leveraging on our strengths of innovation over the years.”

*Mr Lim Kim Heng (“林金兴”)  
Executive Chairman, Senheng New Retail Berhad*



The Group's latest store formats such as Grand Senheng, Grand Senheng Elite, and Grand senQ, register on average 30%-50% higher per-store sales compared to typical Senheng stores. The new store formats are part of the Group's upgrade and expansion program from 2022 to 2024 comprising a total of 61 new/upgraded stores nationwide.

For the first half ended 30 June 2022 (1H22), group revenue rose 13.5% to RM765.0 million from RM673.9 million previously, while net profit improved 7.2% to RM25.0 million from RM23.3 million last year. The growth was supported by higher per-store sales across its retail network, seven new/upgraded stores in 1H22, as well as increasing use of personalised digital marketing.

Senheng declared an interim dividend of 0.5 sen per share in respect of FY2022, with estimated payout of RM7.5 million or 30.0% of 1H22 profit, payable on 14 October 2022. The Group has a targeted dividend payout of up to 30% of its annual net profit to shareholders.

On prospects, Mr Lim commented: "We are offering an expanded range of payment modes similar to our Buy Now Pay Later (BNPL) option to our customers, in view of the strong demand and adoption. The seamless and convenient offerings are not only crucial in today's fast-paced marketplace, but also help our consumers adapt to inflationary pressures on household income."

"Furthermore, as we continue to develop our Senheng App ecosystem, we look forward to our transformation into a leading tech-based platform. We are backed by a loyal base of 3.5 million and growing tech-savvy members that love our commitment to customer satisfaction, and we will continue expanding our range of services that cater to their everyday needs."

###

### **About Senheng New Retail Berhad**

Senheng is Malaysia's leading consumer electrical and electronics retailer. Founded in 1989, the Group has grown its retail network to over 100 physical stores across Peninsular and East Malaysia, and is supported by various online retail platforms.

The Group's stores carry more than 280 renowned consumer E&E brands, featuring a comprehensive range of digital gadgets, audio visuals, home appliances and related products.

An early adopter of digitalisation and business transformation, Senheng continues to deliver excellent customer satisfaction via its seamless New Retail Model. The Group has a growing customer base, with over 3 million PlusOne loyalty members to-date.

**Issued for and on behalf of SENHENG NEW RETAIL BERHAD by  
Aquilas Advisory (Malaysia) Sdn Bhd**

**For media and investor enquiries, please contact:**

Mr. Tay Tze Yi

E: [tayty@aquilas.com.my](mailto:tayty@aquilas.com.my)

T: 03-2711 1391 / 016-338 0555